

**STATEMENT OF THE HONORABLE FRANK A. LoBIONDO, CHAIRMAN –
SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION
FOREIGN OPERATIONS OF U.S. PORT FACILITIES
MARCH 9, 2006**

The Subcommittee is meeting this morning to review foreign operation of terminal facilities at U.S. ports and to review the Federal government's progress in implementing effective port security measures. Given the high level of foreign operations at U.S. ports, the complete implementation of MTSA is vital to protect our security without dampening the international trade that is the linchpin of our economy.

I remain concerned by the pending transfer of operational control over several U.S. port terminal facilities to Dubai Ports World. I still have several questions about this proposed deal and hope that the witnesses' testimony will be able to address these complex issues.

Specifically, I am interested in learning to what level was the Coast Guard, Customs, and the Department of Homeland Security were involved in the initial review of the proposed sale and what level of participation each will have in the more stringent second review? Secondly, what were the concerns that were raised by the Coast Guard and the Department and how were those concerns addressed? Also, does the fact that DP World is a foreign state-owned entity affect the Coast Guard's ability to share sensitive information with security officers who by the nature of their employment could be considered agents of a foreign government? I believe that these questions clearly demonstrate that we need to do a great deal of thought and investigation before this sale is approved.

Notwithstanding my concerns on this specific transaction, I am extremely concerned with the Administration's lack of progress in implementing the port security measures this Congress passed as part of the Maritime Transportation Security Act of 2002 and successive legislation. It is now more than three years after the passage of the MTSA, and I am extremely frustrated to hear many of these programs have not been implemented.

Under MTSA, the Department of Homeland Security is required to develop the Transportation Workers Identification Credential (TWIC) program that will issue biometrically-embedded security cards to maritime workers that can be used interchangeably at any U.S. port. To this date, we have not progressed beyond the prototype stage for this critical program. The Department has not developed a format for the card or the readers that will be used to restrict access to secure areas in our ports. They have not developed a procedure to carry out background checks for individuals who are applying for the card, or for the statutorily-required biometric information that will be carried on the card. I find it unacceptable that the Department has allowed this program to be delayed this long. The TWIC card will be one of the primary means of keeping unauthorized personnel out of our ports, and I hope that the witnesses will take back with them the message that we expect this program to be in place in all of our ports shortly.

Likewise, MTSA requires the Coast Guard to develop and implement a system to track vessels up to 2000 nautical miles from shore that will compliment the near shore tracking

capabilities under the Automatic Identification System (AIS). The Coast Guard has previously testified that are working through the International Maritime Organization to develop the components of a global system rather than implementing a long-range vessel tracking system domestically. While I agree that we should work with our international partners to develop a standardized system, I am very concerned by the Administration's apparent decision to delay the implementation of this system here at home.

Finally, the Department is required to establish a Secure Systems of Transportation program to establish standards and procedures to secure the maritime cargo supply chain from the point of loading to arrival in the U.S. This program will include standards for the screening of cargo in foreign ports, standards for locks and seals to maintain security while in transit, and procedures for the Federal government to ensure and validate compliance with this program. It is imperative that we develop robust measures to assure that this and other maritime security programs are being complied with, and I do not understand why the Department has absolutely disregarded this statutory requirement.

We have taken steps to enhance security at our ports, but I believe we must do more. The proposed transfer of port terminal facilities to a foreign state-owned entity only highlights the need for the Administration to fully implement the full extent of the maritime security programs required under the MTSA and other laws and to work with Congress to develop any further requirements. The American people expect us to take the necessary actions to secure our ports, and this Subcommittee will continue to develop legislation to enhance our maritime homeland security.

I thank the witnesses for appearing this morning and look forward to hearing their testimony.